

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on January 20, 2005 in Room 123-S of the Capitol.

All members present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Duane Goossen, Director, Division of the Budget, Kansas Department of Administration
Jack Rickerson, Director, Division of Personnel Services, Kansas Department of Administration

Others attending: See attached list

Examples of Senate subcommittee reports from the 2004 Legislative Session were given to the committee members for information.

Chairman Umbarger welcomed Duane Goossen, Director, Division of the Budget, Kansas Department of Administration, who presented an overview of the twenty-seventh payroll period in FY 2006 ([Attachment 1](#)). He mentioned that the Governor's budget includes this expense. The cost will total \$65.1 million from all funding sources, of which \$32.6 million will be from the State General Fund. Mr. Goossen explained that although the cost a 27th paycheck must be paid out in one budget year, it is the result of an 11-year buildup. Due to that, the Governor's budget proposes to finance the State General Fund portion of the cost over eleven years. The amount of \$32.6 million would be transferred from the Pooled Money Investment Board (PMIB) to the State General Fund in FY 2006 and then approximately \$3.0 million would be transferred back to the PMIB each year for eleven years. Committee questions and discussion followed regarding options to deal with the 27th paycheck now and in future years. Director Goossen offered that he would come back to the committee to discuss logistics, problems and issues relating to converting to alternative ways to pay for the 27th paycheck and he would research how other states have handled it.

Mr. Goossen provided an overview of the FY 2006 Governor's budget 2.5 percent general salary increase for all state employees. The cost of the increase is \$49.8 million from all funding sources, of which is \$23.8 million is from the State General Fund ([Attachment 2](#)). He detailed additional information regarding the FY 2006 Salary Plan in his written testimony. Committee questions and discussion followed.

The Chairman welcomed Jack Rickerson, Director, Division of Personnel Services, Kansas Department of Administration, who presented an overview of the State Employee In-Grade Pay Increase and the Direct Care Study ([Attachment 3](#)). Mr. Rickerson explained that in-grade increases may be permanent or temporary, depending on the reason for the action. In order to receive an in-grade pay increase, an employee's circumstance must meet established criteria and Mr. Rickerson provided some examples. Regarding the Direct Care Recommendations, Mr. Rickerson explained that the Governor included within her FY 2006 budget recommendations for the reclassification and adjustment of wages for direct care employees in five Kansas Department of Social and Rehabilitation facilities and at the veteran's facilities in Winfield and Dodge City. He noted that the Governor recommended this action to correct long-standing pay inequities and is further explained in his written testimony. Committee questions and discussion followed.

The meeting adjourned at 11:40 a.m. The next meeting is scheduled for January 21, 2005.